GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:80
ANSWERED ON:17.02.2006
OPENING OF NEW BRANCHES
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Will the Minister of FINANCE be pleased to state:

(a) whether insurance companies are taking substantially long time to open a new branch after the approval from Insurance Regulatory and Development Authority,

(b) if so, the reasons therefor;

(c) whether IRDA has given specified time for opening of a new branch; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d) : The opening of new offices by insurance companies requires approval of the Insurance Regulatory and Development Authority (IRDA). It was noticed that, in some cases, insurance companies were taking a long time to open new places of business after obtaining the approval of IRDA. IRDA had also not fixed any time limit for it. However, IRDA issued instructions on 20th January, 2006 to insurance companies, effective from 1st January, 2006, to open new places of business within one year of their approval. If an insurance company fails to start business from the approved new place within the time limit, it will have to apply afresh.